

78 04224

PROPOSITION 13
TAX LIMITATION CONSTITUTIONAL AMENDMENT
ALTERNATIVE PLAN TO
PROPOSED 1978-79 RESOURCE ALLOCATION PLAN

*Real property tax -- Ca
Municipal budgets -- " -- Anaheim
Anaheim -- approp + expend.*



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Prepared by The
Office of the City Manager
City of Anaheim, California

78 04224



CITY OF ANAHEIM, CALIFORNIA

Office of City Manager

July 3, 1978

Mr. Jack Leister
Head Librarian
Institute of Governmental Studies
109 Moses Hall
University of California
Berkeley, CA 94720

Dear Mr. Leister:

Pursuant to your request, enclosed is the following information which the City Manager's Office presented to the Anaheim City Council concerning Proposition 13:

1. Proposition 13 Tax Limitation Constitution Amendment Alternative Plan to Proposed 1978-79 Resource Allocation Plan;
2. Letter of June 20, 1978, with revisions to Alternative Plan; and
3. Letter of June 27, 1978, with additional revisions to Alternative Plan.

On June 27, 1978, the Anaheim City Council approved all of the recommendations contained in the City Manager's letter of June 27, 1978.

I hope this information is helpful to your study.

Very truly yours,

James Armstrong,
Administrative Assistant

JA/mq

Enc.

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CITY OF ANAHEIM, CALIFORNIA

Office of City Manager

June 8, 1978

HONORABLE MAYOR AND CITY COUNCIL:

The proposed 1978-79 Resource Allocation Plan recently presented to the City Council in accordance with Charter provisions is the result of a detailed intensive analysis of each program submitted by the departments. Unlike traditional budgetary processes, this year's proposed plan is based on a least cost concept for existing services and service levels supported by program goals, objectives, production units and total costs. The extension of these services in costs over a three-year period supplies a trend needed to determine what will occur as a result of previous decisions and service priorities.

The net effect of this process is a plan that provides existing services at least cost; offers a reduced ad valorem tax rate; recommends a reduction in the work force under the City Manager's jurisdiction; and accomplishes this within the existing revenue structure. The minimal increase in fees requested and the water utility rate adjustment recommended are a result of inflationary pressures, the conditions of which are largely beyond the powers of local governments to control.

In essence, the proposed 1978-79 Resource Allocation Plan is bereft of any extra cost items. This means that a reduction of revenues will require: a) A change in the level of services in the programs affected by the revenue source; b) A shift in program goals and objectives; or c) Utilization on a "one-time" basis of reserves committed to fund known liabilities or set aside for special purposes.

The City Council is in a unique position to be able to focus its attention on programmed services and set a course knowing what effect its decision will have on the expressed service expectations of the electorate.

The passage of Proposition 13 by a Statewide majority of approximately 65% and a majority of 70% locally, means that the programs supported by the ad valorem tax on property will have to be reduced by approximately \$4,900,000 in our opinion, or some other resources created or applied to maintain programs at a level considered appropriate by the City Council. Council has the option of lowering services or eliminating them entirely, program by program. The \$4,900,000 is only an estimate. Further changes could occur based on interpretations or action taken by the State legislative and judiciary branches. Staff will keep the Council fully informed as decisions are made which affect City programs.

Since the actual total impact of the constitutional amendment may not be known until well into the fiscal year, Council is being provided with some alternative approaches to cushion the immediate impact and allow flexibility in setting priorities and deciding on program reductions. This is made possible by using


on a "one-time-only" basis, certain funds set aside to meet known liabilities or funds otherwise committed. Other revenues such as sales tax and motor vehicle fees may increase since the public will have more discretionary income at its disposal. Council could also increase the transient occupancy tax, a cost largely passed on to non-resident users, and adjust the business license fee structure to increase revenue to the City and eliminate the regressive element of the current system.

To meet the total \$4,900,000 reduction would, besides non-labor services and supplies, require the elimination of approximately 97 City-funded positions, and 86 CETA-funded positions. While this report has been prepared with great care over the past several months by the City's management team, it is my opinion that many other opportunities for changes in levels of service or revenues yet exist in programs, services and staffing. It is impossible to predict the full effects of Proposition 13 until they are experienced, but the City staff will commit to developing an additional \$500,000 during the 1978-79 fiscal year. The three primary areas from which these amounts will be derived, in addition to the program reductions listed under other priorities, are:

1. A more detailed analysis of any position which becomes vacant during the fiscal year than is normally performed before allowing it to be filled. While I cannot recommend a blanket "freeze" such as we experienced previously because of the severe morale problems, I do think additional savings can be generated by this approach.
2. The new management systems we are developing in Anaheim are providing us with more and better data upon which to base decisions. Again, it is my opinion these efforts will create greater or more quickly-attained savings than we now anticipate if City management is called upon to perform extra-ordinarily due to the pressures placed upon them by the new requirements.
3. We know Anaheim is more fortunate than other cities with respect to its dependency on property tax revenues to support local government services. As greater service reductions or revenue shifts occur in other jurisdictions, I believe we may wish to adjust our levels in similar areas on occasions to provide comparability or where reciprocity now may exist. As these occasions are presented, we will submit them to the City Council for review and policy determination, but some savings beyond those now anticipated should logically result.

Not included in the \$4,900,000 property tax reduction are additional program reductions occasioned by the diminution in revenues to City programs from other public agencies. The first example of this is the potential curtailment of \$373,200 from six (6) public school districts used to support recreation activities listed in the final part of this report. The second example is Redevelopment Agency reimbursements in support of improvement projects. The Redevelopment Agency plans to reduce its total program level by several positions, and in addition, will be curtailing the scope of downtown rejuvenation projects. Again, the effects of this action are listed in the third part of this report.

In passing Proposition 13, the voters have spoken and we respect their action. The recommendations contained in this report seek to carry out the mandate of the

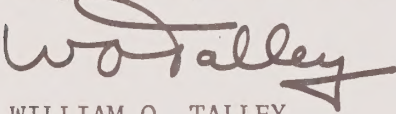


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electorate with the least possible disruption of services to the citizens of Anaheim while the inevitable legal reviews take place. Anaheim, because of its strong tax base and diversified economy is in an almost unique position to react to the passage of Proposition 13 with a minimum of negative effects on these services which support the health, safety and welfare of the community, at least for this fiscal year. With the techniques at its disposal for planning and controlling its resources, the City can, during the next fiscal year, look at other alternatives it may have at its disposal to adjust to the changing expectations of service levels by the public.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "W O Talley", with a stylized flourish at the end.

WILLIAM O. TALLEY
City Manager

Attachments

Part 1
ADJUSTMENTS TO REVENUE

ADJUSTMENTS TO REVENUES
(Presented in Order of Priority)

A. Additional Revenues from Existing Base

Passage of Proposition 13 will expand the amount of discretionary income available to the buying public. Although it is difficult to predict precisely what the actual effect will be on the California economy, two revenue bases would, insofar as the City is concerned, bear a portion of the shift from tax to non-tax transactions: Sales and Use Tax and the Motor Vehicle License fees.

1. Sales and Use Tax - \$ 150,000

The projection for Fiscal 1978-79 should be increased 1.04% to \$14,450,000 or \$150,000 more than stated. This represents the City's share of this tax. During the fiscal year the City's Audit staff will begin to review the local tax base. This effort should support the above increase and may possibly augment it.

2. Motor Vehicle License Fee - \$ 250,000

The projection for Fiscal 1978-79 should be increased 9.4% to \$2,900,000 or \$250,000 more than stated. Any increase the State experiences in this tax base is apportioned to local governments on the basis of officially certified population statistics.

B. Transfer of Sewer Construction and Maintenance Funds - \$ 250,000

The Sewer Construction and Maintenance Fund created by resolution of the City Council, can be applied to general purposes. The Fund receives revenues from acreage fees charged to new developments. The reduction of the fund in the amount proposed will leave sufficient resources for meeting the sewer development obligations of the City.

C. Increase in Existing Tax Base

Increase the Transient Occupancy Tax from 6% to 8% - \$1,000,000

Transient Occupancy Tax Revenue for fiscal 1978-79 based on a 6% levy is estimated at \$3,740,000. A 2% addition would yield approximately \$5,000,000. Following current Council policy, 17% of this would go to the Visitor and Convention Bureau. This would leave a balance of approximately \$1,000,000 in new revenues. The impact of such an increase on local residents is minor in staff's view, as the tax is levied directly on the occupant and only collected by the operator. It should also be noted that

under Proposition 13, the business community is receiving a major share of the tax reductions, yet will continue to receive about the same level of service apportioned to the community at large after reductions have occurred. Any change in this tax base would need to be approved before July 1. The City Attorney has indicated this can be accomplished if the City Council acts no later than June 20. The cities of San Diego and San Francisco are proposing an 8% rate effective July 1. Los Angeles and Buena Park at this time are proposing a 7% rate. It is reasonable to believe that other cities also will be increasing their rates.

D. Transfer of Utility Funds Under Charter Provision

One-time transfer within 6% Charter Limit -

\$ 500,000

The proposed transfer stated in the 1978-79 Resource Allocation Plan is \$3,208,000 or 4.6% of sales. The addition of \$500,000 to this amount represents an increase of 0.7%, or a total of 5.3% of sales. This is well within the Charter provision. The additional transfer would reduce the Electrical Utility's working capital to a very low level, but still provide a minimal amount in this category. Or as an alternative, the City is expecting to receive within four to six weeks \$500,000 from the adjudicated fuel adjustment case with Southern California Edison Company.

E. Reconsideration of Gross Receipts Business License Fee

Estimated Increased Revenue -

\$ 400,000

The proposed 1978-79 Resource Allocation Plan anticipates current revenue rates from gross receipts of businesses (wholesale, retail, contractor) and flat fee charges to professional firms and to apartment owners. In February of 1977, the City Council reviewed and rejected a staff report which would have generated additional revenues to the City. The comparisons provided at that time are still valid and probably have been enhanced to some degree. The additional fees imposed on a portion of the business community would serve to equalize the disparity in benefits being received by the business and residential sectors as a result of the passage of Proposition 13. The reduction of City services would probably affect all areas of the community equally. The flat fee basis applicable to professional and apartment businesses would not be changed; only those businesses currently under the gross receipts provisions would be affected. The largest increase being proposed would be \$2,947.51 to a business doing \$10,000,000 gross per year. Businesses doing less than \$75,000 gross per year would continue to pay the minimum \$25 fee. 60% of the contractors and retail businesses, and 30% of the wholesale class of businesses are within this minimum category. The concept being recommended would be more equitable to the business community than the current regressive method of levying the fee. Although this is considered a fee, recent court

decisions would indicate that any enactment of this proposal should be treated as a tax and be initiated no later than June 30.

F. Transfer from Workers Compensation Self-Insurance Fund

One-time reduction of reserve - \$ 400,000

The City is presently self-insured for claims it may be obligated to pay under the workers compensation laws of the State. By committing to a risk management goal of cutting losses; keeping a prudent level of reserves against risks; and maintaining sufficient reserves to meet unqualified audit standards, a one-time reduction is possible on the basis of current projections.

TOTAL ADJUSTMENTS TO REVENUES \$2,950,000

Summary

The revenues and transfers proposed in this report as a buffer pending final resolution of the impact of Proposition 13 on local resources total \$2,950,000 for the 1978-79 fiscal year. Those one-time reductions in reserves will leave the funding of known and estimated liabilities at a prudent risk level.

The incremental additions to the existing tax and fee structure being proposed have a negligible, if any, effect on the electorate and serve to equalize the incidence of the tax reduction on the entire community. In addition, the changes in the gross receipts portion of the business license fee serve to remove the regressiveness of the current fee structure. Should the City Council wish to proceed with these recommendation, action will need to be taken by no later than June 20. Any tax changes taking effect after June 30 may not be valid depending on what interpretation the judicial branch places on the constitutional amendment.

Part 2
RECOMMENDED REDUCTIONS TO THE
1978/79 RESOURCE ALLOCATION PLAN

RECOMMENDED REDUCTIONS TO 1978-79 RESOURCE ALLOCATION PLAN

BASED UPON ESTIMATED EFFECTS OF PROPOSITION 13

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		
				City /	CETA	Dollar Amounts	Positions City /	CETA
1	Operational savings from management efforts - most programs.	Labor, other operating and capital outlay costs	\$ 500,000	NA	NA	\$ 500,000	NA	NA

Impact

While the proposed Resource Allocation Plan has been prepared with great care and diligence over the past several months by the City's management team, it is the City Manager's opinion that many opportunities for reductions yet exist in programs, services and staffing. It is impossible to predict the full synergistic effects of Proposition 13 until they have been experienced, but the City staff will commit to developing an additional \$500,000 expenditure reduction during the 1978-79 fiscal year.

2	291 - Stadium Administration.	Possessory Interest tax.	\$ 70,000	-0-	-0-	\$ 570,000	-0-	-0-
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Impact

Possessory interest tax currently levied on the Golden West Baseball Company for its interest in Anaheim Stadium as a major tenant and paid for by the City according to contract, will be reduced approximately 55 percent under the proposed tax limitation constitutional amendment.

3	<u>Administration</u>							
	111 - City Manager	Travel & Mtgs., Staff Development	\$ 1,500					
	112 - IGR	Travel & Mtgs., Memberships	10,000					
	116 - Fiscal Audit	Travel & Mtgs., Supplies, Staff Dev., Printing	3,000					
			\$ 14,800	-0-	-0-	\$ 584,800	-0-	-0-

Impact

Reductions itemized above would reduce to a minimum level the travel, staff development and training of personnel within the Administrative Control Center. This will hinder capability of staff to keep updated on latest technology, legislation, state and federal regulations and administrative methods.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		
				City /	CETA	Dollar Amounts	Positions City /	CETA
4	<u>Personnel</u>							
	141 - Administration	Travel & Staff Develop.	\$ 1,500					
	142 - Employee Benefits	Prog.Mgrs. Med. Exams, Awards Prog, Printing Travel, Staff Dev.	22,100					
	144 - Personnel Systems	Travel & Staff Dev.	1,700					
	145 - Employee Relations	Staff Development	300					
	146 - Classification & compensation	Staff Development	300					
			<u>\$ 25,900</u>			\$ 610,700	-0-	-0-

Impact

Eliminates the Employees Award Banquet, curtails employee travel and staff development throughout the Personnel Control Center and eliminates physical exams for program managers.

5	<u>Public Works</u>							
	721 - Capital	Nalco Land Development	\$ 115,000	-0-	-0-	\$ 725,700	-0-	-0-

Impact

Delays the remodeling and master plan studies for the street and mechanical maintenance development. This will delay construction of the long-needed fleet maintenance building. Could also impair ability to have plans available if federal funding becomes possible.

6	<u>Planning Control Center</u>							
	160 - Planning Commission	Travel & mtg. exp., Planning Commission mtg. exp., Capital requests.	\$ 8,415					
	163 - Dev. Processing	Office & office supplies, Printing, Cap. Outlay	4,908					
	165 - Research & Development.	Printing, EDP Dev., EDP Maint., Consulting Serv.	27,780					
	166 - Building	Books	500					
	168 - Construction Inspect.	Capital outlay	<u>1,200</u>					
			<u>\$ 42,803</u>	-0-	-0-	\$ 768,503	-0-	-0-

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		
				City /	CETA	Dollar Amounts	Positions City /	CETA

6 (continued)

Impact

Planning Commission work sessions will be scheduled during regular Commission meetings, thus, stipend and meeting costs will be reduced. Reductions in Research and Development will seriously curtail staff's statistical research analysis and could affect management decisions.

7	<u>City Council Legislation</u>	Reduce Council Contin- gency 25%	\$ 50,000	-0-	-0-	\$ 818,503	-0-	-0-
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Impact

Based upon historical precedents, this reduction should still leave the Council Contin-
gency fund at a level sufficient to finance unexpected needs and requests.

8	<u>City Council Community Promotion</u>	Halloween Festival,	\$ 10,000					
		Special promotional Proj.	5,000					
			\$ 15,000	-0-	-0-	\$ 833,503	-0-	-0-

Impact

Would eliminate City's float in the Annual Halloween Parade. Reductions in Special Promo-
tional Projects would reduce significantly the number of special gifts such as "A" frames,
roses and special plaques which can be distributed at special City functions and Council
meetings.

9	<u>Golf Course 312 - Dad Miller</u>	Fencing	\$ 3,000					
		PT Labor	2,500					
		Equip. Wash Rack	1,500					
		Tee Enlargement	2,000					
		Green Reconstruction	10,000					
			\$ 19,000	-0-	-0-	\$ 852,503	-0-	-0-

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals	
				City /	CETA	Dollar Amounts	Positions City / CETA

9 (continued)

Impact

Elimination of fencing will allow rate of vandalism (\$5,000 estimated for 1977-78) to continue. Reduction of part-time labor would eliminate maintenance projects and increase workload of part-time staff. Elimination of equipment wash rack will increase time required to clean equipment. Elimination of tee enlargement and green reconstruction will result in slow play and possible lost revenues.

10	299 - Stadium Maintenance	Re-seal seating area concrete	\$ 7,000						
		Toilet partitions	5,000						
		Security doors - restrms.	5,000						
		Update restrooms	20,000						
		Stadium Landscaping	20,000						
		High Steel Painting	25,000						
			<u>\$ 82,000</u>	-0-	-0-	\$ 934,503	-0-	-0-	

Impact

Re-seal seating area concrete reduction increases cleanup time and part-time labor expenses. Elimination of restroom improvements will increase deterioration and maintenance costs. Reduction in Stadium landscaping will have a negative impact on the appearance of the Stadium grounds and could affect our well-maintained image. Elimination of high-steel painting could create maintenance problems and eventually result in higher replacement costs.

11	307-8 - Convention Center Maintenance	Convention Center landscaping	\$ 20,000						
		Recover arena seating	25,000						
		Parking lot re-design	70,000						
		Chair replacement	5,000						
		Replace Risers	50,000						
		High pressure hot water cleaner & trailer	4,300						
		Carpet replacement	25,000						
			<u>\$ 199,300</u>	-0-	-0-	\$ 1,133,803	-0-	-0-	

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		Dollar Amounts	Positions City / CETA
				City /	CETA				

11 (continued)

Impact

Reduction in Convention Center landscaping will have a negative impact on the appearance of the Convention Center grounds and could affect our well-maintained image. Eliminating arena seating recovering will reduce our standard of appearance and safety and possibly result in higher replacement costs. Parking lot redesign was to have included installation of counter devices to act as a control against cashier petty theft as well as the installation of outdoor restrooms for tenant and patron convenience. Elimination of chair replacement will reduce our professional image and could result in discomfort to guests. Delay in replacement of risers will result in a continuation of time-consuming manual set-ups adding time to tenant moving time. Elimination of purchase of high pressure hot water cleaner and trailer will increase maintenance time and costs. Delay of carpet replacement will reduce our professional appearance.

12	301 - Conv. Center Admin.	Purchase of Xerox machine (net)	\$ 8,500	-0-	-0-	\$1,142,303	-0-	-0-
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Impact

Rental Equipment exceeds purchase price in two years. Result is higher long-term costs.

13	34 - Anaheim Hills Golf Course	Close facility	\$ 150,000	10	20	\$1,292,303	10	20
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Impact

Result of this would be the complete closure of golfing activities at Anaheim Hills Golf Course. Skeleton maintenance staff would be retained to keep up the grounds to preserve the City's asset. Would result in reduction of CETA laborers at both golf courses. City is obligated to make purchase payment on outstanding long-term note and amend the agreement of sale dated Feb. 29, 1972 involving consent of three owners. Such amendment will require two (2) months. Also involves termination of the two contracts with the golf professional and concessionaire which requires 30 days advance notice.

14	677 - Street Light conversion	Contractual and operating costs	\$ 60,147	-0-	-0-	\$1,352,450	10	20
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Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals	
				City /	CETA	Dollar Amounts	Positions City / CETA

14 (continued)

Impact

Will eliminate conversion of approximately 10 percent of the City's street lighting system from obsolete incandescent to mercury vapor. This conversion is designed to reduce energy usage and therefore street lighting operational costs.

15	341 - Parks, Recreation & the Arts Administration	1 Stock Clerk	\$ 15,495	1				
		Office Supplies	1,000					
		Part-time PIO Position	7,200					
		Travel & Meeting Expense	1,000					
		Part-time Clerical	280					
		CETA Overage-Stock Clerk	1,882		1			
			<u>\$ 26,857</u>	<u>1</u>	<u>1</u>	\$1,379,307	11	21

Impact

The elimination of 2 Stock Clerks (1 CETA) will reduce staff by two-thirds, resulting in a significant delay in delivery of supply requests. Elimination of PIO will result in fewer news stories and program brochures creating substantial reduction in the dissemination of information about Parks and Recreation activities and programs.

16	Administration Control Center							
	112 - Intergov'tal Rel.	Part-time Intern Hours	\$ 4,274					
	113 - Public Information	Public Info. Assistant	26,100	1				
		Other Operating	2,200					
			<u>\$ 32,574</u>	<u>1</u>	-0-	\$1,411,881	12	21

Impact

Substantially reduces PIO's ability to produce timely news releases, respond to Councilmanic service requests, publish "The Appriser," and produce quality photographs. IGR staff ability to monitor current legislation and regulations would be severely reduced.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		
				City /	CETA	Dollar Amounts	Positions City /	CETA
17	215 - Community Services	1 Referral Serv. Coord.	\$ 24,979	1				
		1 ITC	12,461	1				
		Other Operating Costs	15,000					
			<u>\$ 52,440</u>	<u>2</u>	-0-	\$1,464,321	14	21

Impact

Reductions would virtually eliminate all referral service. Staff would be able to respond on an emergency basis only. Planning would continue, but on a very reduced level. Programs, other than those which are self-sustaining, would require extensive volunteer help in order to continue. Will eliminate 1 Hispanic position.

18	124 - City Attorney Land-use	Transfer 1 Deputy City Attorney II and 1 Steno Clerk Confidential to Redevelopment	\$ 7,686	2	-0-	\$1,472,007	16	21
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Impact

Redevelopment currently reimburses the City for 80% of salaries of the above noted employees, yet they work almost exclusively for the Redevelopment Agency. This transfer would achieve a mathematical savings of \$7,686 and eliminate costly billing, paper work and budgeting. If the Redevelopment Agency operation is reduced to a point where the positions are not necessary, the positions would be eliminated.

19	281 - Park Administration	Staff Aide-CETA	\$ 9,462					
		Other Operating Costs	7,850					
			<u>\$ 17,312</u>	-0-	1	\$1,489,319	16	22

Impact

Abolishing CETA Staff Aide position will reduce the department's ability to apply for, and secure, grant funds. Other operating costs are primarily park maintenance supplies and fertilizer. Reduction in these items will decrease staff productivity and have impact on park landscaping.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals	
				City /	CETA	Dollar Amounts	Positions City / CETA
20	904 - Canyon Branch Library	Architectural Expenses	\$ 55,000			\$1,544,319	16 22

Impact

Postpone until some future date the design and construction of the branch library for the Hill and Canyon area residents.

21	134 - Centralized Records Management	Other Operating Costs	\$ 10,524			\$1,554,843	16 22
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Impact

Inventory of records, preparation of records retention schedules and actual microfilming of records for various City department will be completed in a longer time frame than originally projected. Completion of this phase of the Centralized Records Management Program may not coincide with completion of the new City Hall and consequently expensive space in the new City Hall to facilitate storage of records will be required.

22	158 - Duplicating & Printing	Duplicating Supvr.	\$ 23,568	1	-0-	\$1,606,875	19	22
		Sen. Offset Press Oper.	18,751	1				
		Layout Composer	17,103	1				
		Other Oper. Costs	17,610					
		Contract Printing	(25,000)					
			\$ 52,032	3				

Impact

Reduce full-time City-funded staffing from five to two, thus reducing the quality and timeliness of the printing services currently provided City users. Reduce greatly professionally typeset forms and publications throughout the City.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		
				City /	CETA	Dollar Amounts	Positions City / CETA	
23	171 - Library Admin. 173 - Pub. Serv. - Contracts	Architectural Contracts	\$ 12,000					
		Audio Visual Program						
		Materials	19,000					
		Part-time Staff	20,000					
			<u>\$ 51,000</u>	-0-	-0-	\$1,657,875	19	22

Impact

Reduce funds designated for plans for redesign of Central Library. Redesign is needed because of the age of the building; services have changed or evolved and many areas of the building are dysfunctional and work flow is inefficient. Audio-visual program, including phonorecords, cassettes and 16mm films would be deleted. No new materials would be added. The existing materials would be deleted from public usage resulting in a savings of part-time help.

24	282 - Park Maint.	Delete 10 City-funded PT and 12 CETA Full- time Laborers	\$ 101,496	-0-	12	\$1,759,371	19	34
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Impact

Manpower acreage ratio drops from 1:4.65 to 1:6.04. Substantially reduced park maintenance frequency resulting in general deterioration in park appearance. Reduces 23% of maintenance work force and effort.

25	172 - Technical Services	Books	\$ 125,000					
		PT staff	17,000					
		Supplies	15,000					
			<u>\$ 157,000</u>	-0-	-0-	\$1,916,371	19	34

Impact

Books/periodical budget is reduced by 45% with a reduction in: 1) supplies that would be used for processing the materials; 2) part-time personnel that would have processed the material. This reduction must only be short term or the quality of the Library's collection will deteriorate rapidly.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals	
				City /	CETA	Dollar Amounts	Positions City / CETA
26	816 - Boysen Park	Delay Park Expansion	\$ 115,000	-0-	-0-	\$2,031,371	19 34

Impact

Funds for Boysen Park expansion which are included in the proposed 1978-79 Resource Allocation Plan from the Park and Playground Development fund would be utilized to finance a portion of our Park Rehabilitation Program, now in the General Fund. Plans for Boysen Park expansion would have to be delayed at least one year.

27	142 - Employee Benefits	Employee Benefits	\$ 3,210				
		Statement					
		Personnel Analyst	30,085	1			
		Outreach Recruiting	1,000				
		Advertising	3,000				
		Test Validation Services	5,000				
		Non-safety Pre-employment medicals	1,000				
		Testing Expenses	350				
			<u>\$ 43,645</u>	<u>1</u>	-0-	\$2,075,016	20 34

Impact

Eliminates planned computer generated employee benefits report. Reduces employment activities and to a lesser degree, labor relations activities by eliminating the employment group and reassigning employment activities to the labor relations analysts.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals	
				City /	CETA	Dollar Amounts	Positions City / CETA
28	Library Control Center	Miscellaneous Reductions	\$ 26,000	-0-	-0-	\$2,101,016	20 34

Impact

Miscellaneous reductions would be made in operating budget including a further small reduction in the book budget, some restrictions on travel expenditures, mileage reimbursement, telephone usage, staff development, capital items.

29	233 - Sewer Maintenance	Street Maint. Worker	\$ 17,566	1			
		Other Oper. Costs	3,000				
	232 - Streets & Alley Maint.	Lead St. Worker, 4 Laborers	88,431	5			
		Other Oper. Costs	152,945	4			
		CETA Laborers	60,000		29		
			\$ 321,942	10	29	\$2,422,958	30 63

Impact

Reduces sewer cleaning program from a total system cleaning on a yearly basis to a bi-yearly basis. Would eliminate the eight-year old alley reconstruction program with approximately ten miles of unimproved alleys yet to be brought up to current standards. These mostly dirt alleys are currently in deplorable condition. Reduction in City-funded laborer positions requires reduction of 29 CETA-funded laborers in Public Works Department.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals									
				City /	CETA	Dollar Amounts	Positions								
30	262 - Engineering Design	Principle Eng. Aide	\$ 52,982	2											
		Civil Eng. Asst.	30,213	1											
		Civil Eng. Associate	36,511	1											
		Other Operating Costs	2,988												
			<u>\$ 122,694</u>	<u>4</u>	-0-	\$2,545,652	34	63							

Impact

Reduction of level of service to citizens, field checking projects, reviews and studies for other departments, supervision of sub-professional engineers and review of environmental documents.

31	243 - Facility Landscaping	Parkway Maint. Worker II	\$ 28,146	2					
		Parkway Maint. Worker I	13,721	1					
		Operating Equipment	3,817						
			<u>\$ 45,684</u>	<u>3</u>	-0-	\$2,591,336	37	63	

Impact

Reduces landscape service levels on parkways and medians resulting in a highly noticeable aesthetic deterioration. This is a 20% reduction in the work force in this maintenance area. The ability to clean up trash and bottles as well as trim shrubbery will be greatly hampered.

32	242 - City Tree Maintenance	Lead Tree Trimmer, Tree							
		Trimmer, Laborer	\$ 43,589	3					
		Operating Equipment	7,543						
			<u>\$ 51,132</u>	<u>3</u>	-0-	\$2,642,468	40	63	

Impact

Elimination of one tree trimming crew. Will reduce trees trimmed and response time to citizen service requests. Will result in more tree damage from wind storms and, therefore, a potentially higher public safety risk and increased damage to privately-owned property.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		Dollar Amounts	Positions	
				City /	CETA				City /	CETA
33	205 - Fire Control	Fire Ladder Truck	\$ 150,000							
		Overtime	82,109							
		Other Capital Outlay	25,000							
	203 - Fire Training	CETA Overage - Salaries	14,657		2					
	206 - Emerg. Med. Aid	Junior Typist-Clerk	12,791	1						
			\$ 284,557	1	2			\$2,927,025	41	65

Impact

Prolongs rather frequent usage of a 1949 ladder truck having safety implications. Reduces situational manning concept overtime to less than 40% of calculated need. Limits capital outlay to only a critical SCBA recharge unit. Eliminates clerical assistance from the Emergency Medical Aid program.

34	Police Control Centers	Defer plans for Police Substation	\$ 5,400							
		Defer Cap. Outlay Purchs.	6,000							
		Reduce Dept. Training Accts.	15,000							
		Reduce PT Employees	214,650							
			\$ 241,050	-0-	-0-			\$3,168,075	41	65

Impact

Deferring plans for police substation will further delay construction of a substation to serve the Santa Ana Canyon area, resulting in lost travel time. Deferring of capital outlay purchases delays needed capital items. Reduction of training will have an effect on officers learning latest techniques and skills. Reduction in part-time personnel would eliminate Crossing Guards and Traffic Controllers, which would result in increased calls for sworn officers.

35	Planning Dept. Control Center									
	162 - Land Use Planning	Part-time ITC	\$ 4,447							
	166 - Building Admin.	Mech. Engineer (new)	28,854	1						
	169 - Community Participation	Part-time Clerical	2,621							
			\$ 35,922	1	-0-			\$3,203,997	42	65

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals	
				City /	CETA	Dollar Amounts	Positions City / CETA

35 (continued)

Impact

Reduction of Mechanical Engineer will result in requiring the developers of large commercial and industrial complexes to have their development plans certified by a private Mechanical Engineer that they meet all of the State Energy Regulations rather than going through the normal City plan check process; i.e., the "superstamp" procedure will be utilized to implement the new State Energy Regulations.

36 Library Control Center

173 - Public Service Central Local History

1 Librarian

\$ 24,000

1

1

1 ITC

16,000

1

1

\$ 40,000

2

2

\$3,243,997

44

67

Impact

The Local History program would be eliminated. The Mother Colony History Room would be closed. It is currently open to the public Monday - Friday, 9 a.m. - 6 p.m., providing research information and material on Anaheim and Orange County history. Approximately 2,900 people visit the room throughout the year and 1,900 reference questions are answered. Elimination of this program would reduce staff by two people: one Hispanic, one Anglo.

177 - Bookmobile

Library Assistant II

\$ 23,000

1

Driver Clerk

14,000

1

Operating

14,000

\$ 51,000

2

-0-

\$3,294,997

46

67

Impact

The Bookmobile operation would be shut down, removing library service from those people that live in the outlying areas of the City. Currently 22 stops are made each week. Approximately 65,000 volumes are circulated each year. Elimination of this program would reduce the staff by only one, an Hispanic, because of a vacancy.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		
				City /	CETA	Dollar Amounts	Positions City / CETA	
36 (cont.)	174/175/176 - Branch Libraries	Librarian II	\$ 29,000	1	1			
		2 Librarian I	36,000	2	2			
		Part-time staff	25,000					
		Misc. supplies	5,000					
			\$ 95,000	3	3	\$3,389,997	49	70

Impact

Branch library services would be curtailed as work hour reductions in this cut are 95% of a branch operation. Full-time staff reductions are three people: one black, one Hispanic, one Anglo.

37	Public Works Dept.	Eliminate Remainder of CETA Positions	\$ 16,099	-0-	3	\$3,406,096	49	73
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Impact

Elimination of CETA ITC in Streets Division will create delay in processing reports and complaints. Elimination of 2 CETA Traffic Aides will result in reducing updated accident and school studies.

38	144 Personnel System	1 Employment Asst.	\$ 18,974	1				
		Advertising	2,000					
		Staff Development	400					
			\$ 21,374	1	-0-	\$3,427,470	50	73

Impact

Elimination of Personnel Assistant will reduce employment activities significantly. Assumes there will be a reduction in City work force and that there will be an acceptance of reduced performance standards in filling vacancies as positions are authorized.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals	
				City /	CETA	Dollar Amounts	Positions City / CETA
39	Planning Dept. Control Center						
	163 - Development Processing	CETA Overage	\$ 17,259		3		
	168 - Construction Insp.	Jr. CETA Bldg. Inspectors	4,448		4		
		Equipment Rental	9,600				
			<u>\$ 31,307</u>	-0-	<u>7</u>	\$3,458,777	50 80

Impact

The reduction of 7 CETA personnel, or approximately 14.5% of the Planning Department's total work force, will seriously reduce the level of service in all of the programs administered by the Planning Department. Major impacts will be on assistance to the homeowners on minor construction, construction inspections and clerical support in the Planning and Zoning Divisions, especially in those areas involving Planning Commission and City Council staff reports, minutes, resolutions, micro-filming, and departmental receptionist duties, filing, affirmative actions, etc.

40	150 - Risk Management	Safety Administrator	\$ 30,040	1			
		Furniture, equipment	750				
			<u>\$ 30,790</u>	<u>1</u>	-0-	\$3,489,567	51 80

Impact

Delaying the decision regarding the hiring of a Safety Administrator will have the effect of placing additional responsibilities on the newly-hired Risk Manager and the Workers Compensation Administrator. This could seriously impact effective implementation of our Risk Management Program.

41	181 - Police Admin.	1 Police Lieutenant	\$ 46,813	1	-0-	\$3,536,380	52 80
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Impact

Elimination of the position will reduce Administration support to the Chief of Police and the Administrative Captain.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals			
				City /	CETA	Dollar Amounts	Positions City / CETA		
42	189 - Traffic	2 Police Officers	\$ 73,268	2					
		2 Motorcycles	6,218						
			<u>\$ 79,486</u>	<u>2</u>	-0-	\$3,615,866	54	80	

Impact

The elimination of these two positions would increase the number of calls received by remaining officers and reduce the level of traffic enforcement.

43	183 - Investigation	2 Police Officers	\$ 66,438	2	-0-	\$3,682,304	56	80
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Impact

The reduction of two officers in Investigation will mean that approximately 1,600 cases will not be investigated.

44	192 - Community Serv.	1 Police Officer	\$ 33,088	1	-0-	\$3,715,392	57	80
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Impact

The reduction of this position will result in a decrease in the services provided by Community Services to the community.

Cumulative Affirmative Action Impact - In Police Department, above 4 phases would be a reduction of 1 Hispanic, 1 female, 4 White male.

45	205 - Fire Control	8 Fire Fighters	\$ 208,890	8	-0-	\$3,924,282	65	80
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Impact

These reductions in staffing will reduce the assigned daily work by an average of three men per platoon. It will create the need to assign a minimum of six three-man companies each day. Affirmative Action Impacts - Eliminates one Hispanic position.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals	
				City /	CETA	Dollar Amounts	Positions City / CETA
46	265-266 - Engineering Records and Subdivisions	1 Junior Clerk	\$ 10,637	1			
		1 Sr. Engin. Aide	23,602	1			
		1 Civil Eng. Asst.	29,650				
		Equip. & Supplies	1,940				
			\$ 65,829	3	-0-	\$3,990,111	68

Impact

Will eliminate City Hall mail delivery and clerical relief. Will reduce level of public service and level of supervision and review of checkers' work thus increasing checking time. Will increase response time to requests for information, data and service from both the public and other City departments.

47	252-257 - Bldg. Maint. and Custodial Maint.	1 A.C. Repairman	\$ 24,690	1			
		1 Painter	20,329	1			
		4 Custodians	56,392	4			
		1 Constr. & Maint. Worker	20,676	1			
		Panel truck & supplies	16,740				
		\$ 138,827	7	-0-	\$4,128,938	75	80

Impact

Will reduce service levels on preventive maintenance program, on response to vandalism repairs and in general custodial work. Will increase response time on A.C. repair work. The reduction in preventive maintenance could result in higher long-term replacement expenditures.

48	267 - Real Property	1 Title Searcher	\$ 19,798	1			
		1 R/W Agent	28,677	1			
		Supplies and 2 phones	660				
		\$ 49,135	2	-0-	\$4,178,073	76	80

Impact

Will decrease over-all level of service and increase time of acquisition for requested easements and other property required for City purposes. Increases response time on requests for service from both public and City departments.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals			
				City /	CETA	Dollar Amounts	Positions City / CETA		
49	284 - Park Maint. & Facility Replacement	Custodial Supplies	\$ 5,618						
		Office Supplies	125						
		Maint. Supplies	13,031						
		Equip. Rental-Private	1,160						
		Uniform Rental	2,306						
		Equip. Rental-City	65,633						
		Facility Improvements	7,450						
			<u>\$ 95,323</u>	-0-	-0-	\$4,273,396	77	80	

Impact

This would further cut the level of park services by reducing maintenance and custodial supplies. Reduction in City equipment would necessitate returning these pieces of equipment to the City garage for auction. This would severely curtail much of our maintenance work. Eliminating facility improvement funds will result in no repairs being made on park structures that become damaged or worn out.

50	182 - Police patrol	Police Sergeant	\$ 39,323	1	-0-	\$4,312,719	78	80
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Impact

Requires combining of two sergeant positions, Stadium and Reserve, resulting in lower level of supervision. Field sergeant would have to assist remaining positions.

183 - Criminal Invest.	Police Officers	\$ 66,437	2					
	Other Oper. Costs	3,455						
		<u>\$ 69,892</u>	<u>2</u>	-0-	\$4,382,611	80	80	

Impact

Eliminate investigation of non-sufficient funds and account-closed check cases. The number of theft cases investigated would also be reduced.

189 - Traffic Safety	Police Officers	\$ 73,268	2					
	Other Oper. costs	6,218						
		<u>\$ 79,486</u>	<u>2</u>	-0-	\$4,462,097	82	80	

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals	
				City /	CETA	Dollar Amounts	Positions City / CETA

50 189 - Traffic Safety (continued)

Impact

Additional lowering of traffic enforcement and subsequent revenue generated. Traffic officers are used as backup to patrol officers, hence more preventive patrol hours would be lost to responding to calls. Delays in call response would increase due to this reduction.

190 - Vice, Narc. Org. Crime	Police Officers	\$ 65,832	2	-0-	\$4,527,929	84	80
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Impact

Less vigorous vice suppression program. Collective affirmative action impact of priority ranking reduction includes three Hispanic males and one Anglo female.

51	173 - Pub. Serv.	Library Assistant	\$ 18,000	1			
	Central Library	Int. Typ. Clerk	16,000	1			
			\$ 34,000	2	-0-	\$4,561,929	86 80

Impact

Reference service would be reduced by 14% and the interlibrary loan service would be entirely eliminated. Currently approximately 90,000 reference questions are answered per year and 2,500 pieces of materials are processed through the inter-library loan service for patrons. Staff reductions would include 1 Hispanic female and 1 Anglo female.

52	144 - Affirmative Action	Affirm. Act. Employ- ment Specialist	\$ 17,594	1	-0-	\$4,579,523	87 80
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Impact

Eliminates Affirmative Action effort effective November 1, 1978. Only mandated reporting requirements would be continued. Timing would permit completion of present contract with Biddle and Associates guaranteeing that the efforts of the past eight months would not be totally lost. With the virtual elimination of employment activity described in previous priority phases, the potential for impact of affirmative action would be reduced to a minimal level even if the program were retained.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		
				City /	CETA	Dollar Amounts	Positions City / CETA	
53	143 - Training	Contract Services	\$ 10,000	-0-	-0-	\$4,589,523	87	80

Impact

Eliminates professional services to survey and access training requirements of operating program areas and therefore substantially limits City's ability to establish an effective and efficient training program.

54	125 - Misdemeanor Prosecu- tion	Deputy City Attorney		3				
		Stenographer Clerk		1				
			\$ 128,241					
		Reduced revenue	(84,560)					
			\$ 43,681	4	-0-	\$4,633,204	91	80

Impact

Eliminate all misdemeanor prosecution activities except prosecution of violations of the Anaheim Municipal Code. It will lower the prestige of the City and very likely result in increased liability claims and lawsuits against the City. It will result in less efficient handling of strikes and local disturbances and require police personnel to travel to Santa Ana or Fullerton on Penal Code misdemeanor prosecution cases to the District Attorney.

55	185 - Arrestee Detention	Senior Jailer	\$ 25,911	1				
		Jailer	89,993	4	4			
		Other Oper. Costs	17,838					
		Grant overage	28,220					
		Overtime-Arrestee Detention	18,978					
			\$ 180,940	5	4	\$4,814,144	96	84

Impact

Eliminate Anaheim jail operation entirely. Would add at least one hour to the time spent by the arresting officer in prisoner processing. Investigators would have to go to Orange County Jail to interview prisoners which reduce investigation time. Time-consuming court orders would be necessary to take a prisoner out of County Jail.

188 - Police Training	Video tape recorder	\$ 1,050	-0-	-0-	\$4,815,194	96	84
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Impact

Delay replacement of a needed training tool. Will reduce number of and quality of training films produced for officer effectiveness and safety.

Priority Ranking	Program Description	Description	Amount	Positions		Cumulative Totals		
				City /	CETA	Dollar Amounts	Positions City / CETA	
55 (cont.)	190 - Vice, Narc, Org. Crime	Office space rental	\$ 8,100	-0-	-0-	\$4,823,294	96	84

Impact

See Program 185 - Arrestee detention. Space will be available for VNO staff should the jail operation be closed down, thus eliminating the need for outside rental of office space.

56	115 - Technology App.	Contractual Services	\$ 10,558	-0-	-0-	\$4,833,852	96	84
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Impact

Reduce Technology Application program by 20%. Would eliminate T.A.P. coordinator participation in Police, Library and Land Use system committees and also eliminate coordination of the street lamp conversion study.

57	116 - Fiscal Audit	CETA salary overage	\$ 17,719	-0-	2	\$4,851,571	96	86
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Impact

Elimination of 2 CETA-funded auditors would result in major reduction of non-mandated audits such as transient occupancy tax, sales tax and bingo audits.

58	205 - Fire Control	Firefighter	\$ 212,600	7	-0-	\$5,064,171	103	86
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Impact

Further reduce assigned daily work force from standard level of 65 firefighters down to 60. Create need to assign minimum of 8 three-man pumper companies during each work day. Staff reductions would include loss of one certified paramedic, thus making planned use of overtime necessary if standard of three paramedic units is to be maintained.

Part 3
SCHOOL DISTRICT AND AGENCY REDUCTIONS

COMMUNITY SERVICES TAX REDUCTIONS
(School District Support)

Currently six public school districts participate in recreation programs through a special 2 cent per \$100 assessed valuation property tax levy. As a result of passage of Proposition 13, this special tax will no longer exist and school district support of recreation programs will be withdrawn. City recreation programs will be reduced by the \$373,200 currently estimated for FY 1978-79 from school districts for these purposes. The following list itemizes the proposed program reductions.

PROPOSITION 13 - COMMUNITY SERVICES TAX REDUCTIONS

Program Description	Description	Amount	Positions			Cumulative Totals		
			City /	CETA		Dollar Amounts	Positions City / CETA	
271 - Recreation Administration	Other Operating Costs	\$ 10,000						
	Reclassify Secretary to ITC	2,094						
	ITC	7,850	$\frac{1}{2}$					
		<u>\$ 19,944</u>	$\frac{1}{2}$	-0-	\$	19,944	$\frac{1}{2}$	-0-

Impact

Serious reduction of printed material being used to publicize program. Most affected item will be the summer brochure. Rationale is valid since many programs and services will be reduced or eliminated. Reduction of clerical support in conjunction with cutbacks in several recreation program areas.

270 - Parks & Playground	Part-time Recreation Leaders							
	& Other Operating Costs	\$ 101,182	-0-	-0-	\$	121,126	$\frac{1}{2}$	-0-

Impact

Comprehensive Summer Recreation Program would be eliminated in 8 of the 34 parks and playgrounds. Special recreation programs will be eliminated on all 34 areas; i.e., Arts & Crafts, Creative Play, New Games Tournament, etc. Thirty (30) part-time Recreation Leader positions and one (1) Area Coordinator would be eliminated.

Recreation programming on 27 school sites would be eliminated. Recreation Instructional Program would be eliminated at school sites. Weekend supervision on all parks and schools would be eliminated.

These reductions will result in the reduction of approximately 50% service level to elementary and junior high school students. An additional 50 part-time Recreation Leaders will be terminated.

272 - Therapeutic Recreation	Part-time Hours & Other							
	Operating Costs	\$ 21,310	-0-	-0-	\$	142,436	$\frac{1}{2}$	-0-

PROPOSITION 13 - COMMUNITY SERVICES TAX REDUCTIONS

Program Description	Description	Amount	Positions		Cumulative Totals		
			City /	CETA	Dollar Amounts	Positions City / CETA	
272 - Therapeutic Recreation (continued)							
<u>Impact</u>							
Eliminate the two cooperative adaptive physical educational programs affecting 142 participants as well as eliminating the autistic program. Reduce summer day camp and adult Trainable Mentally Retarded Program by one-third.							
273 - Nature	Part-time Hours	\$ 12,345	-0-	-0-	\$ 154,781	½	-0-
<u>Impact</u>							
Eliminate all part-time staff necessitating reductions in operating hours. Reduce use of Nature Mobile by 75%.							
274 - Sports & Teens	Part-time Hours & Other Operating Costs	\$ 70,890	-0-	-0-	\$ 225,671	½	-0-
<u>Impact</u>							
Eliminate Teen Centers at three high schools during summer. Reduction of School Year Teen Clubs except for self-supporting activities. Eliminate evening gym programs at nine sites.							
275 - Co-recreation	Part-time Hours & Other Operating Costs	\$ 33,408	-0-	-0-	\$ 259,079	½	-0-
<u>Impact</u>							
Eliminate all City-funded programs which will reduce part-time leadership and supervision. Reduce recreation programs at two gymnasiums.							
276 - Aquatics	Part-time Hours & Other Operating Costs	\$ 36,440	-0-	-0-	\$ 295,519	½	-0-

PROPOSITION 13 - COMMUNITY SERVICES TAX REDUCTIONS

Program Description	Description	Amount	Positions		Cumulative Totals		
			City /	CETA	Dollar	Positions	
					Amounts	City / CETA	

276 - Aquatics (continued)

Impact

Close operation at four pools (Esperanza, Magnolia, Anaheim, and Western High School pools). Program will continue at the six remaining locations.

277 - Downtown Drop-in Center	Part-time Hours & Other Operating Costs	\$ 11,201	-0-	-0-	\$ 306,720	½	-0-
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Impact

Reduce staff hours by 50% necessitating a 25% reduction in operating hours for the Center.

278 - Senior Citizens	Part-time Hours & Other Operating Costs	\$ 30,298	-0-	-0-	\$ 337,018	½	-0-
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Impact

Eliminate the following programs: Day Center, Satellite, Swim Programs, and R.S.V.P. Reduce operating hours from 14 hours per day, seven days per week; to 10 hours per day, five days per week.

279 - Arts	Part-time Hours & Other Operating Costs	\$ 36,182	-0-	-0-	\$ 373,200	½	-0-
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Impact

Eliminate all direct cooperative school programs in the Arts. Eliminate school use of Show Wagon. Eliminate support of the Anaheim Arts Council and Summer Musical Program at Pearson Park Theatre.

REDEVELOPMENT AGENCY REDUCTIONS

It should be recognized that the Redevelopment Agency is not a Charter-established, ongoing department which is obligated to provide a level of service year-in and year-out to the citizens. The purpose of the Redevelopment Agency is to plan, fund and implement a specific development program within a designated period of years. This program then is designed to phase out.

It operates in a partnership with private enterprise and is currently involved in contractual relationships with private and public entities (including the City of Anaheim in construction of City Hall). It is critical that these partnership or contract relationships be honored. Accordingly, the entire thrust of re-budgeting is toward honoring these contracts rather than reducing the level of service by a given amount.

The following projects are suggested for deletion from the overall project development, unless alternative fund sources can be found.

1. Offsite storm drains - trunk line connecting downtown to Carbon Creek Channel	\$3,100,000
2. Offsite sewers	599,849
3. Traffic signs, Canyon	677,300
4. Blocks 17 and 18	6,230,301
5. East Richfield storm drain (also involves loss of equal amount of Flood Control District funds)	350,000
6. Harbor widening	1,600,000
7. Reduced scope of Anaheim, Lincoln, Clementine	11,199,113
8. Broadway - not widened	284,000
9. Miscellaneous acquisition	950,000

Redevelopment Agency Reductions
Continued

Projects included and necessary for phased projects which require alternative funds:

1. Electrical utilities	\$3,000,000
2. Water utilities	505,489
3. City contribution 10% to PUC, Lincoln underpass project	500,000

All of the above public projects would ultimately have to be completed, but the pace of completion will be geared upon the availability of funds through gas tax or other sources.

Additionally, the following are proposed priorities for staff reduction:

FIRST CUT

1. (Seven Positions)

Agency Deputy Director
Redevelopment Aide
Assistant Planner
Drafter
Intermediate Typist Clerk
Intermediate Clerk
Real Property Aide

SECOND CUT

2. (Two Positions)

Neighborhood Development Coordinator
Disposition Manager



CITY OF ANAHEIM, CALIFORNIA

Office of City Manager

June 20, 1978

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

JUL 10 1978

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CITY MANAGER

UNIVERSITY OF CALIFORNIA

SUBJECT: REVISIONS TO ALTERNATIVE PROPOSITION 13 PLAN

On June 8, 1978, staff forwarded a comprehensive proposal which could be utilized to implement the new requirements anticipated with the approval of Proposition 13 by the voters. You recall we are estimating that 1978-79 Property Tax receipts will be reduced by approximately \$4,900,000 and some combination of new or additional revenues, transfer of existing reserves and program reductions totalling this amount will be necessary to bring the Resource Allocation Plan into balance.

Our original proposal included for Council's consideration, revenue and reserve adjustments in the amount of \$2,950,000 set forth by priority, and in addition, reductions in the Resource Allocation Plan totalling \$5,064,171. Since submitting these recommendations, staff has had the opportunity to review with Council, both individually and collectively, your concerns regarding the proposed use of revenues and reserves to offset the mandated reductions. From these discussions, Council apparently does not favor any increase in existing resources other than to possibly authorize the transfer of Utility funds to the maximum allowed by the Charter, which is 6 percent for the coming year. There also appears to be a unanimity of opinion by the Council that personnel layoffs should occur only as a last resort.

In reacting to these two guidelines, staff is proposing the following adjustments which meet many of the goals and objectives expressed by the Council over the last twelve days.

The base from which the adjustments begin is the projected \$4.9 million loss in property tax revenue as a result of the passage of Proposition 13. Since the report of June 8, 1978 was presented to Council, sales tax payments received on June 19 included an additional \$293,977 in revenue to the City. This can be used to partially offset the Proposition 13 deficit and, in my opinion, the 1978-79 sales tax estimate can be increased approximately \$400,000 to more correctly reflect anticipated revenues. These amounts are in addition to the following which were suggested in our June 8 report.

Continued

Estimated Reductions in Property Tax Receipts \$4,900,000

Additional Revenues from Existing Base

Additional Sales Tax received in 1977-78	\$294,000
Increased Sales Tax Estimate for 1978-79	400,000
Previously Increased 1978-79 Sales Tax Est.	150,000
Previously Increased 1978-79 Motor Vehicle License Fees	250,000

Total Additional Revenues Estimated at 1,094,000

Balance Remaining to be Funded \$3,806,000

Transfer of Reserves and Utility Earnings

The June 8 report detailed two other potential sources of funding: Transfer of Sewer Construction and Maintenance funds and a one-time reduction in the Workers Compensation Self-Insurance Fund Reserve. In addition, it was recommended that the Transfer of Utility Funds be increased another \$500,000. Recently, the Mayor has suggested that the Utility transfer be raised \$500,000 more, to an additional \$1,000,000. These transfers can be summarized as follows:

Transfer of Sewer Construction & Maintenance Funds	\$ 250,000
Transfer from Workers Compensation Self-Insurance Fund	400,000
Transfer of Utility Funds Under Charter Provision	<u>1,000,000</u>

Total Transfer of Reserves and Utility Earnings 1,650,000

Balance Remaining to be Funded \$2,156,000

On the assumption that Council may accept the above suggestions, staff has reviewed the previously submitted 58 recommended reductions and prepared a revised list which deletes those items requiring personnel layoffs or major program reductions. We would suggest that Council consider the following reductions at this time:

<u>Priority Ranking</u>	<u>Description</u>	<u>Amount</u>
2	Stadium Administration Possessory Interest Tax	\$ 70,000
3	Administration - Other Operating Costs	10,000
4	Personnel - Employee Benefits - Employee Awards Banquet	16,500
5	Nalco Land Development - Consulting Services	115,000
6	Planning Research and Development - Consulting Services	10,000
7	City Council - Council Contingency	50,000

8	City Council - Community Promotion	5,000
11	Convention Center - Parking Lot Redesign	60,000
14	Street Light Conversion Program	60,147
15	Park and Recreation Administration	
	Part-time PIO	7,200
20	Canyon Branch Library - Architectural Costs	55,000
23	Library Administration - Architectural Costs,	
	Part-time Staff Reduction, Audio Visual	
	Supplies	51,000
25	Library - Books and Supplies	50,000
26	Boysen Park Expansion	115,000
34	Defer Plans for Police Substation	<u>5,400</u>
	Total Reductions	\$680,247

Balance Remaining to be funded \$1,475,753

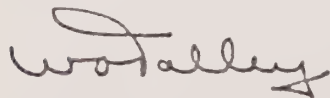
These reductions, while removing many needed improvements from the City's programs, meet the Council's desires not to schedule personnel layoffs at this time, and we will continue to maintain our excellent affirmative action posture.

We recognize this is only an interim solution and still leaves a significant amount to be reconciled before the budget can be balanced. However, the Council may wish to leave options open for another week while the State Legislature makes its determinations regarding the distribution of the state surplus. By next week, many of the current uncertainties may be resolved. At that time, final budgetary decisions can be made.

To assist in this latter process, I have requested the Assistant City Manager to form a special departmental committee to review in greater detail than ever, City expenditures and revenues throughout the year. Several areas will be immediately subjected to further analysis, including the funds set aside for equipment purchases. It is possible that reductions can be made there. Our enhanced internal auditing program may identify sources of additional funds the City should be receiving. Cities, including Anaheim, have for years been advocating an increase in the CETA base to offset the higher cost of wages since the inception of this program. We think our efforts may be rewarded this year. The collective effort of this committee and our other activities should allow the management team to commit to an even greater effort than that contained in the June 8 report if absolutely necessary. Regularly scheduled reports of our efforts would be provided Council if this approach were instituted to provide the final amounts required to balance fiscal year 1978-79.

If the above suggestions meet Council's goals, it is recommended they be approved at this time and further actions await the decisions of the State Legislature.

Respectfully submitted,



WILLIAM O. TALLEY
City Manager



CITY OF ANAHEIM, CALIFORNIA

Office of City Manager

June 27, 1978

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

JUL 10 1978

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: WILLIAM O. TALLEY, CITY MANAGER

UNIVERSITY OF CALIFORNIA

SUBJECT: ADDITIONAL RECOMMENDATIONS TO BALANCE THE 1978-79 RESOURCE
ALLOCATION PLAN

RECOMMENDATIONS:

That the City Council, by motion, adopt the proposed 1978-79 Resource Allocation Plan with these changes:

- 1) Transfer \$1,525,753 from the General Benefits Fund to the General Fund on a temporary basis pending clarification of the State of California's surplus formula disbursements
- 2) Include items submitted to Council in the City Manager's letter of June 20, 1978, less the \$50,000 for library books and supplies (priority ranking number 25)
- 3) Include interim modifications to the proposed 1978-79 Resource Allocation Plan occurring since the presentation of the document to Council on May 31, 1978.

DISCUSSION:

Through both written correspondence and at the meeting of June 20, 1978, staff has kept Council apprised of the developing effects of Proposition 13. As we supply you with our most current analysis of how best to mitigate the adverse local effects of the newest constitutional amendment, our approach is guided by these three general criteria: First, consider user fee increases where applicable; second, assume that the full transfer of utility funds allowed by the Charter will be made (six percent of the previous fiscal year's sales); and third, lay off personnel only as a last resort.

As specified in my letter of June 20, 1978, the basis for adjustments to the proposed 1978-79 Resource Allocation Plan is a projected \$4.9 million loss of property tax revenue. In this letter, additional revenues from the existing tax base of \$1,094,000 were detailed, transfers of reserves and utility earnings totaling \$1,650,000 were specified, and low priority appropriation reductions of \$680,247 were listed. These recommended reductions, while removing many needed improvements from the City's programs, meet the above

stated criteria, but leave a balance of \$1,475,753 to be funded. Council, at the June 20 meeting, indicated a desire to restore the reduction of \$50,000 for library books and supplies. With this restoration, the balance remaining to be funded became \$1,525,753.

On Friday, June 23, 1978, the California Legislature passed and Governor Brown subsequently signed into law a bill designed to partially mitigate the effects of Proposition 13 on local governments during fiscal 1978-79. This bill referred to as SB 154, provides for:

- 1) Pro rata distribution of the remaining 1% of property tax revenues to counties, cities, schools and special districts using as a base a three-year average of taxes collected for cities
- 2) Distribution of \$250 million of State surplus monies to cities on a complex distribution formula based upon revenue lost.

Staff is currently analyzing this bill to correctly determine the precise amount of relief to be received by Anaheim. At this point, the City has been provided no official statement of either the amount of money due from the remaining property tax or from distribution of the State surplus. For this reason, postponing adoption of the 1978-79 Resource Allocation Plan serves no practical purpose. The City has sufficient resources allocated to the General Benefits Fund that can be used to balance the General Fund on a temporary basis.

Council has been supplied with copies of the SB 154 law. Provisions are currently being analyzed by the League of California Cities staff and it is hoped that the City will receive some definitive information shortly.

At the last Council meeting, staff reiterated its commitment to reduce expenditures through the application of modern management techniques. Examples of these reductions would be intensified analyses of vacancies to the extent that program service levels could be altered without jeopardizing the community, and the postponement of scheduled equipment replacements. The implementation of new automated management systems will create greater or more quickly-attained savings than we now anticipate. Re-examination of service levels and the means of service delivery, as well as revenue restructuring to reach comparability with other jurisdictions, should create avenues to help balance current income and expense. Regularly scheduled reports of these efforts would be provided Council if this approach was instituted to assure that the Resource Allocation Plan is balanced throughout the year. Attached is a schedule that responds to Council's June 20, 1978 comments and holds promise for cost reductions and/or revenue improvements within Council guidelines. Staff will examine these items over the next few months and will recommend them whenever appropriate.

As the Governor noted in his speech Friday evening, the greatest effects of Proposition 13 will not be felt in fiscal year 1978-79; instead, they will occur in ensuing years when the State surplus will no longer be sufficient to meet all demands. Additional constraints will occur due to the 2% limit placed on assessed value increases by Proposition 13 and possible cost increases and service level modifications being discussed now by the County of Orange. It would appear appropriate, therefore, after the total long-term effects of Proposition 13 are known to Council, to schedule a series of work sessions to determine what continuing levels of service the City should provide, and the most appropriate means of financing these service levels. I would suggest

that these sessions be conducted in the Fall, possibly in October and November, for a number of reasons. First, by that time, we should know what the State disbursements under both the 1% and surplus formula will be, and have better interpretations of the many legal questions that have arisen. Secondly, this will provide sufficient time to begin approaching possible service reductions by transitioning employees in order to avoid layoffs in 1979-80. Currently, we estimate at least a \$3 million General Fund shortage (1978 dollars) in fiscal year 1979-80. Thirdly, interested groups will have an adequate opportunity to review Council's intent and provide constructive input before final decisions are made. Finally, Department Heads will have policy direction from Council prior to submitting budget requests for fiscal year 1979-80.

During the next fiscal year, an interdepartmental task force under the direction of the Assistant City Manager will undertake an intensive study to review and examine all areas of City operations in order to effect cost savings and seek out equitable user fees and charges. The attached schedule notes many of the areas in which the efforts will be concentrated, but the task force will also continue to seek Council direction as other possible areas appear feasible. Additionally, as further clarification and information becomes available from the State and County, staff will immediately transmit this information to Council. Through the combined efforts of the Council and the management staff, I am confident that the City will be able to approach the difficult tasks ahead in a positive and constructive manner, creating the least possible adverse effects on services to the citizens of Anaheim.

Respectfully submitted,


WILLIAM O. TALLEY
City Manager

Attachment

TENTATIVE REVENUE AND EXPENDITURE ADJUSTMENTS

1. Sale of Unimproved Land

\$ 44,660

\$218,120 of land is currently being appraised for sale.

\$188,960 of this are well sites leaving \$29,160 of revenue for the General Fund.

\$61,020 of unimproved land would remain with \$45,520 being well sites, leaving \$15,500 in revenue for the General Fund if the land were sold. Some of the parcels in this group are very small.

2. CETA Overage Reduction

\$250,000

Recent information from the U.S. Conference of Mayors indicates that both the House and the Senate are considering, and in some likelihood will approve a salary base indexing which would increase the \$10,000 CETA contribution per position/year to \$12,000. This new limit would become effective October 1, 1978, and would lessen the City-funded support for CETA positions by approximately \$280,000. With the Utilities transfers at their Charter maximum, the reductions realized there will not be transferred to the General Fund. Therefore, only an approximate \$250,000 would occur to the General Fund.

Council should be aware that these changes in CETA regulations are only speculative and are subject to critique from many special interest groups. Hence, this overage reduction should be considered very tentative at this time.

3. Re-lease of Boysen Park Property

\$ 2,100

There are 6 undeveloped acres which could possibly be leased for \$350 - \$400 per acre per year. Additional undeveloped and idle park land will be investigated for possible short-term lease.

4. Reduce Vehicle Capital Outlay Account in Equipment and Mechanical Maintenance Program by \$195,000

\$195,000

The \$195,000 represents a reserve for the unscheduled replacement of damaged equipment due to age or accident. Occasionally, equipment which is not scheduled for replacement due to apparent soundness of condition at the beginning of the year subsequently sustains serious mechanical problems beyond practical repair later on. When accidents occur, for instance to police vehicles, it is paramount that the City have a reserve to call upon to replace the vehicle and return the officer to patrol duty. Staff will scrutinize every replacement purchase this next year in an attempt to save the \$195,000.

5. Use of \$100,670 of Gas Tax Monies to Offset Currently Proposed General Fund expenditures

\$100,670

By increasing Gas Tax revenue estimates \$47,500 and reducing the new Street Construction Open program contingency account \$47,460, and the Gas Tax portion of the Barrier Free program \$5,710, a total of \$100,670 of Gas Tax monies may be used to fund the Streets/Alley Maintenance program (#232) in the Public Works Streets & Sanitation Division; thereby reducing requirements on the General Fund by a like amount. This reduction to the Street Open program would restrict the Council's ability to authorize installment of and modification to unplanned traffic safety signals. This technique should also be treated as a tentative device toward cost reduction.

6. Revise Building Permit Revenue Projections

\$150,000

The International Conference of Building Officials (ICBO) recently published the recommended modifications to building permit fees that will be discussed as recommended for adoption in October, 1978. Since Anaheim adopts building fees

6. Revise Building Permit Revenue Projections (Continued)

\$150,000

by resolution and has in the past conformed to the recommendations of the ICB0, an annual increase of \$200,000 is expected, based on current building projections. If the permit fee recommendations are adopted in October, 1978, the projected increase would be approximately \$150,000. Council is reminded that this is not a new revenue source but constitutes a routine and conforming rate adjustment.

Additionally, many other management techniques will be practiced to produce greater savings.

Although the above suggested areas for cost reductions and income improvements total \$742,430, many should be considered very conditional.

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